

Assessment of payment adequacy: SNFs

ISSUE: Each year MedPAC assesses the adequacy of current payments and develops an update recommendation for several of Medicare's fee-for-service sectors. In addition to assessing the relationship between Medicare's current payments and costs, the Commission uses information on beneficiaries' access to care, supply of providers, volume of services, quality of care, and providers' access to capital in evaluating payment adequacy. What do we know so far about SNF providers' circumstances that may influence the Commission's recommendations for updating payments in 2007?

KEY POINTS: We will present preliminary information based on the most recent data available for select factors for skilled nursing facilities:

- Access to care,
- Supply of providers,
- Volume of services, and
- Quality of care.

ACTION: Commissioners should review the preliminary findings in preparation for decision making at subsequent meetings. Additional information on the factors affecting the adequacy of payments will be presented at the December meeting.

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